

326 Japan file

Office Memorandum • UNITED STATES GOVERNMENT

TO : Messrs. Frank, Weiss, Metzger, Nehmer,
Norwood, Blake

DATE: March 29, 1956

FROM : V. G. Setser *VG*

SUBJECT: Proposed Action re Alabama - Mississippi anti-Japanese legislation.

The proposal to send telegrams or letters to the State Governors does not take proper cognizance of the inflamed state of opinion among the public and officials in the deep South. Intervention by the Yankee Government in this case could easily provoke reprisals, which could take the form of support for the Bricker Amendment, opposition to OTC, or the wrecking of the FCN treaties - more likely the latter.

It is by no means a question of the State Dept. either invoking the treaty or allowing the discriminatory laws to be freely enforced. The treaty will apply regardless of what the Dept. does. The real question is whether the Dept. should take a step likely to provoke a bitter reaction, or allow the treaty to be applied quietly in the normal way through recourse thereto by the private interests involved. The latter is a wholly practicable alternative. It is not necessary to await litigation, although it is not certain that awaiting it would result in any great injury to Japanese interests. The retail trade association (which has declared itself against the bills) and the American lawyers of the Japanese Embassy can bring the treaty to the attention of the State Governors and Attorneys General. The U.S. Chamber of Commerce would likely make its views known. The risk does not lie in the application of the treaty but in Federal action that will be construed as interference in State affairs and that will result in local publicity. The Dept.'s letter or telegram will almost certainly be published.

A factor that has not been considered is the probability that the people back of these bills are working toward a popular boycott of Japanese manufactures such as developed before the war. By bringing on a big rumpus about this the Dept. would be playing into the hands of the characters that started the trouble.

ITR:TAD:VG:Setser:eg

DEPARTMENT OF STATE A/CDC/MR	
REVIEWED BY <i>[Signature]</i>	DATE 9-30-80
RDS ☐ or XDS ☐ EXT. DATE _____	
IS AUTH. _____	REASONING _____
EX-100 EX-101 EX-102 EX-103 ☐	
EX-104 EX-105 EX-106 EX-107 ☒	
EX-108 EX-109 EX-110 EX-111 ☐	
EX-112 EX-113 EX-114 EX-115 ☐	

March 20, 1950

TO: The Secretary

THRU: S/S

FROM: E - Mr. Prochnow

SUBJECT: Proposed Alabama Legislation Aimed at the Sale of Japanese Textiles

Dispositions:

We have been informed that the Alabama Senate has passed a bill which would require wholesalers and retailers of Japanese textiles to post signs indicating that the textiles they are offering for sale are of Japanese origin when such is the case. Presumably, the bill will now go to the other House of the Alabama Legislature for approval. Legislation similar to that now pending in Alabama was approved by the South Carolina Legislature about two weeks ago (see Tab A for text). We have also been informed that legislation having the same purpose has been proposed in the Mississippi Legislature. The Department did not learn of the South Carolina measure before its enactment; thus, there was no possibility of bringing to the attention of the State Government the foreign policy implications of the proposed legislation.

The Alabama bill, if enacted, would violate the United States-Japan Treaty of Friendship, Commerce and Navigation, which requires each party to grant to goods imported from the other most-favored-nation and national treatment in respect to internal taxation and all measures affecting internal sale and distribution.

The measure would discourage Alabama wholesalers and retailers from handling Japanese textiles. It would therefore frustrate one of the principal foreign economic objectives of the Administration, namely, the healthy

expansion of foreign markets for Japanese goods in the interest of an economically sound and politically stable Japan. It should also be noted that Japan is by far the principal foreign market for exports of United States cotton, in which Alabama has an important economic stake. The proposed bill could adversely affect Japan's willingness to purchase United States cotton and thereby complicate seriously the problems faced by our cotton growers.

The attached telegram (12418) from you to the Governor of Alabama sets forth the foregoing legal and commercial policy issues. It recommends that the Governor take these factors into consideration if the bill is presented to him for approval.

In sending this telegram, a problem exists as to whether the Department's action might affect adversely four proposed treaties of Friendship, Commerce and Navigation which are now pending before the Senate for its advice and consent to ratification. It is believed that this risk must be incurred if such treaties are not to be rendered meaningless. There is also some question of whether the Department's intervention might adversely affect Congressional consideration of H.R. 4480, which would authorize United States membership in the Organization for Trade Cooperation (OTC). It is believed that this problem is minimal inasmuch as it can be pointed out which would be administered through the OTC, that the General Agreement on Tariffs and Trade does not require that the laws of States and local governments affecting commerce conform to the Agreement's rules of trade.

Recommendations:

That you sign the attached telegram.

Signatories:

L - Mr. Niegert
FE - Mr. Robertson
H - Mr. Hall

C O P Y

Lat 4

(R 719, M1850)

An Act To Require All Wholesale Or Retail Establishments In The State Which Sell Japanese Textile Goods, Or Garments Made Therefrom, To Display A Sign "Japanese Textiles Sold Here", And To Provide A Penalty For The Violation Thereof.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Every person operating a wholesale or retail establishment in the State which sells Japanese textile goods, or garments made therefrom, shall display in a conspicuous place upon the doors of such establishment, in letters not less than four inches high, a sign reading as follows: "Japanese Textiles Sold Here".

SECTION 2. Any person violating the provisions of this act shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than one hundred dollars or imprisoned for not more than thirty days.

SECTION 3. All acts or parts of acts inconsistent herewith are hereby repealed.

SECTION 4. This act shall take effect upon its approval by the Governor.

In the Senate House the 6th day of March

In the Year of Our Lord One Thousand Nine Hundred and Fifty-six.

Ernest F. Hollings,

President of the Senate.

Salomon Flint,

Speaker of the House of Representatives.

Approved the 8th day of March, 1956.

George Eli Timmerman, Jr.,
Governor.

Printer's No. 36-3.

Lab B

UNCLASSIFIED

SENT TO: Secretary of State, Montgomery, Alabama

Press reports bill passed by State Senate requiring wholesalers and retailers of Japanese textiles post signs indicating goods offered for sale are of Japanese origin. In view long established U.S. policy designed eliminate unnecessary restrictions on foreign trade and discrimination in such trade, proposed legislation would have important foreign policy implications as well as possible adverse impact on U.S. exports. Moreover, bill would also appear to run counter to U.S. Friendship, Commerce and Navigation Treaty with Japan requiring each party grant to goods imported from other in respect internal taxation and all measures affecting internal distribution and sale national treatment (no less favorable than that accorded like domestic products) and most-favored-nation treatment. Request you consider these factors if bill is presented to you for approval as well as fact Japan is by far principal export market for United States raw cotton in whose foreign sales Alabama has important stake.

IR:YAD:JIR:Ala:aps 3-22-55

Classified: R - Mr. Ladd JR/NA - Mr. Cornwall
L/E - Mr. Hottel YAD - Mr. Scherer